

cc: FISCAL

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, EASTERN DIVISION

CONSTRUCTION LABORERS TRUST
FUNDS FOR SOUTHERN
CALIFORNIA ADMINISTRATIVE
COMPANY, a Delaware limited liability
company,

Plaintiff,

vs.

D T S ENTERPRISE, INC., a California
corporation also known as and doing
business as D T S CONCRETE; LESLIE
DAIN SORG, an individual; SURETEC
INSURANCE COMPANY, a Texas
corporation; QUALITY DEVELOPMENT
AND CONSTRUCTION, INC., a California
corporation; DOE 1 THROUGH DOE 10,
inclusive,

Defendants.

CASE NO.: 5:22-cv-00867-JGB-KK

**JUDGMENT BY STIPULATION
AND ORDER FOR RELEASE OF
FUNDS**

No Hearing Date

AND RELATED CROSS-ACTIONS

1 Pursuant to the Settlement between the parties, and the Stipulation for Entry of
2 Judgment filed, the Court approves the Stipulation, and enters JUDGMENT as
3 follows:

4 JUDGMENT is therefore entered, as follows:

5
6 1. [JUDGMENT ON FIRST CLAIM] **Judgment is entered** on the First
7 Claim for delinquent contributions to employee benefit plans, under 29 U.S.C. §§
8 185(a), 1132(g)(2) and 1145, in FAVOR of Plaintiff Construction Laborers Trust
9 Funds for Southern California Administrative Company (“TRUST FUNDS”), and
10 AGAINST Defendant D T S Enterprise, Inc., *dba* D T S Concrete (“EMPLOYER”),
11 arising in the period through June 30, 2023, in the amount of **\$675,000.00**, payable in
12 installments as described below.

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14 2. [JUDGMENT AND ORDER FOR RELEASE OF FUNDS ON SIXTH
15 CLAIM] Pursuant to the Order Stipulated to By the Parties Granting Quality
16 Developments and Construction Inc.’s Motion for Discharge of Stakeholder in
17 Interpleader Action (Docket No. 85), Defendant Quality Development and
18 Construction, Inc. (“Quality”) was ordered to deposit with the Clerk of the Court the
19 sum of \$132,933.96 (“Interplead Funds”) in an interest-bearing account. Quality did
20 so, on September 6, 2023 (Docket No. 87), and was accordingly dismissed. Pursuant
21 to the Settlement between the Parties, the **Clerk is Ordered to immediately release**
22 **the Interplead Funds**, together with any interest accrued, payable to Plaintiff as
23 “Construction Laborers Trust Funds.” Such payment shall be credited against the
24 Judgment against the EMPLOYER.

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26 3. [DISMISSAL OF FOURTH CLAIM] The Fourth Claim is dismissed,
27 without prejudice, and Defendant Leslie Dain Sorg (“OWNER”) is dismissed from all
28 claims, without prejudice, subject to the Tolling Agreement described below.

1 4. [DISMISSAL OF REMAINING CLAIMS AND PARTIES]. Defendant
2 Suretec Insurance Company and the Fifth Claim for Relief was previously dismissed
3 on May 9, 2023 (Docket No. 65). The Second and Third Claims are hereby
4 DISMISSED as moot. All other Cross-Complaints were dismissed on August 31,
5 2023 (Docket No. 86). Therefore, no other claims remain to be adjudicated.

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7 5. [MONTHLY INSTALLMENTS] The Interplead Funds released to
8 Plaintiff shall be credited against the Judgment against the EMPLOYER. The
9 remaining amount may be paid in monthly installments of \$10,000.00 each, over a
10 period of no more than five years, with interest on the declining balance at the rate of
11 4.64% per annum. Interest shall accrue from March 1, 2024, with the first payment
12 due no later than March 1, 2024, and each subsequent payment shall be due on the
13 First (1st) of each month thereafter, until paid. Any amounts recovered by the TRUST
14 FUNDS from third parties, which relate to work performed in the period covered by
15 this Settlement Agreement, i.e., through June 2023 ("Third-Party Payments"), as
16 described in the Settlement Agreement, shall be credited against the Judgment, but
17 shall not excuse any monthly installment payment, except as agreed in writing
18 between the parties, as provided in the Settlement Agreement. There shall be no
19 penalty for pre-payment, and interest shall be adjusted accordingly.

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21 6. [DEFAULT] In the event any monthly installment is not paid on time,
22 the TRUST FUNDS will give written notice in the manner described in the Settlement
23 Agreement, and the EMPLOYER shall have ten (10) calendar days from the date of
24 such notice to cure its default. Notice shall be effective, and the ten (10) calendar
25 days to cure shall commence on the date of mailing, email or other transmittal as
26 specified in the Settlement Agreement. If more than two (2) written notices are
27 required in a twelve (12) month period, EMPLOYER will be required to pay a total of
28 an additional Five Hundred Dollars and No Cents (\$500.00) for the TRUST FUNDS'

1 attorneys' fees and costs for the written notices in order to maintain the payment plan,
2 which may be added to this Judgment by appropriate proceedings. Where the giving
3 of the notice called for in this paragraph would, in and of itself, be illegal, such notice
4 is waived. "Default" shall be considered to have occurred on the day after the 10-day
5 notice, if the required payment has not been made. Regardless of whether Default is
6 cured, interest shall be calculated from the date(s) of actual payment.

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8. [JUDGMENT AFTER DEFAULT] Upon Default in payments, as
9 described above, the entire amount of the Judgment of \$675,000.00, less payments
10 and credits, plus interest on the declining balance at the rate of 4.64%, from March 1,
11 2024 to the date of Default, shall become due. Counsel for the Trust Funds shall file
12 and serve a Notice, accompanied by a declaration establishing the Default, and an
13 accounting of payments, credits and interest. No further action shall be required by
14 the Court. Upon Default, and the filing and serving of this Notice, any stay of
15 enforcement shall immediately terminate. However, if the act of giving such Notice
16 may, in itself, be construed as a violation of law, then such Notice is waived, and the
17 Judgment (with credits and interest as described above) shall remain the amount of the
18 Judgment

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20. [SATISFACTION OF JUDGMENT] No later than fifteen (15) days
21 before the last payment by installments is due, the TRUST FUNDS shall send the
22 EMPLOYER an accounting of the amount necessary to pay the balance of the
23 Settlement Amount due, accounting for all payments, credits and interest to the date of
24 the next payment due date. Upon receipt and successful negotiation of such final
25 payment, the TRUST FUNDS shall promptly file an Acknowledgment of Satisfaction
26 in Full with the Court, and also file or record such Acknowledgment of Satisfaction in
27 Full, needed to release any liens which have been filed based on the Judgment.

1 9. [TOLLING AGREEMENT] The dismissal of the Fourth Claim for
2 Relief shall be without prejudice, and shall not be considered towards an adjudication
3 on the merits under Rule 41(a)(1)(B) of the Federal Rules of Civil Procedure. All
4 parties reserve their claims and defenses as to the Fourth Claim, and nothing herein
5 shall be construed as a waiver or release of such claims and defenses. Any claims
6 stated in the Fourth Claim for Relief are hereby tolled, as of the date this action was
7 filed – May 24, 2022. This Tolling Agreement may be terminated, and the Fourth
8 Claim for Relief may be re-asserted in an appropriate forum, only after 30 days'
9 written notice, as provided in the Stipulation for Judgment. However, if the act of
10 giving such notice may, in itself, be construed as a violation of law, then such notice is
11 waived. Upon completion of the payments described above, and after the expiration
12 of an additional ninety (90) days, the Tolling Agreement shall be considered void as
13 moot, and any exceptions to the Releases described in the Settlement Agreement as to
14 any claims which were, or could have been made, in the Fourth Claim for Relief, shall
15 be void as well. The filing of the Acknowledgment of Satisfaction of Judgment
16 described above shall operate as full release of all such claims, and a bar to any action
17 upon them.

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19 10. [STAY OF ENFORCEMENT] During the period of monthly payments,
20 absent Default, there shall be a stay of enforcement of the Stipulated Judgment, except
21 that the Trust Funds may file liens, including (but not limited to) a Judgment Lien
22 with the California Secretary of State, or Lien(s) in any Pending Action or Proceeding
23 of the EMPLOYER pursuant to Cal. Code Civ. P. § 708.410, *et. seq.*. Upon Default,
24 any stay is lifted, and the TRUST FUNDS may pursue all available methods to
25 enforce this Judgment.

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1 11. Except as stated expressly herein, each party is to bear their own fees and
2 costs. In light of the dismissals of the other Claims for Relief, and the Court having
3 determined that there is no just reason for delay under Fed. R. Civ. P. 54(b), this
4 constitutes final entry of judgment.

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6 IT IS SO ORDERED.

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8 DATED: February 21, 2024



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10 Hon. Jesus G. Bernal
11 United States District Judge

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